

2016 Regular Session

SENATE BILL NO. 414

BY SENATOR LUNEAU

BONDS. Provides for the application of a premium, if any, in connection with the issuance of bonds. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:571(A), relative to the sale of bonds; to provide with respect  
3 to the price at which bonds may be sold; to provide for the application of the  
4 premium, if any, derived in connection with the issuance of bonds; to provide for an  
5 effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:571(A) is hereby amended and reenacted to read as follows:

8 §571. ~~No sale below par;~~ **Bond sale prices;** application of premium and accrued  
9 interest

10 A. ~~(1) Except as expressly provided herein, no bonds issued shall be sold for~~  
11 ~~less than their par value and accrued interest, but~~ **Bonds may be sold at the prices**  
12 **as provided in R.S. 39:1428 and** the bidder for the bonds may stipulate in his bid  
13 that the proceeds of the bonds shall be deposited in a bank designated or to be  
14 designated by him to act as fiscal agent for the fund. Such stipulation shall be limited  
15 to the deposit of the bond proceeds and shall not extend to the taxes levied and  
16 collected to meet maturing bonds and coupons. The depository so designated must  
17 be a bank located in this state, which shall give security to the amount and in the

1 manner required of fiscal agents and depositories of parishes, municipalities, and  
 2 public boards under the laws of Louisiana. If any premium is received, ~~the~~ any  
 3 premium, ~~with all accrued interest~~ heretofore or hereafter received, shall in  
 4 connection with any bonds may be applied to either of the following:

5 (a) Any purpose for which the bonds are being issued and shall be  
 6 deposited in the same account into which the bond proceeds are deposited.

7 (b) To the payment of the principal or to the interest on the bonds, and shall  
 8 be deposited in the bank along with ~~the~~ taxes levied and collected for that purpose.

9 (2) If any accrued interest is received, any interest received in connection  
 10 with any bonds shall be applied to the payment of the principal or to the interest  
 11 on the bonds, and shall be deposited in the bank along with taxes levied and  
 12 collected for that purpose.

13 \* \* \*

14 Section 2. All laws or parts of law in conflict herewith are hereby repealed.

15 Section 3. This Act shall become effective upon signature by the governor or, if not  
 16 signed by the governor, upon expiration of the time for bills to become law without signature  
 17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 18 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 19 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Martha S. Hess.

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DIGEST

SB 414Engrossed

2016 Regular Session

Luneau

Present law provides that except as expressly provided in present law, no bonds issued shall be sold for less than their par value and accrued interest.

Proposed law provides that bonds may be sold as provided in present law found at R.S. 39:1428, which provides that bonds may be sold at the price or prices as may be determined by the governing authority of the issuer of such securities provided the issuance of the securities is approved by the State Bond Commission.

Present law provides that if any premium is received for the sale of the bonds, the premium may be applied to the payment of the principal or to the interest on the bonds, and shall be deposited in the bank along with the taxes levied and collected for that purpose.

Proposed law retains present law and further provides that if premium is received it may also

be used for any purpose for which the bonds are being issued and shall be deposited in the same account into which the bond proceeds are deposited.

Proposed law further provides that if any accrued interest is received, any interest received in connection with any bonds shall be applied to the payment of the principal or to the interest on the bonds, and shall be deposited in the bank along with taxes levied and collected for that purpose.

Proposed law provides that all laws or parts of law in conflict with proposed law are repealed.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 39:571(A))